

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WATER SERVICE)
CORPORATION OF KENTUCKY FOR A)
GENERAL ADJUSTMENT IN EXISTING) CASE NO. 2015-00382
RATES)

NOTICE OF FILING

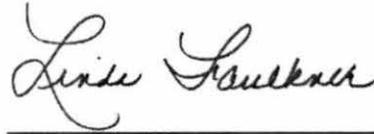
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on May 13, 2016 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on May 13, 2016 in this proceeding;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on May 13, 2016.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been electronically served upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at: http://psc.ky.gov/av_broadcast/2015-00382/2015-00382_13May16_Inter.aspx. Parties wishing an annotated digital video

recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 16th day of May 2016.

A handwritten signature in cursive script that reads "Linda Faulkner".

Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

Water Service Corporation of Kentucky
2335 Sanders Road
Northbrook, IL 60062-6196

Kent Chandler
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

Mary B Potter
113 North Washington Street
Clinton, KENTUCKY 42031

M. Todd Osterloh
Sturgill, Turner, Barker & Moloney, PLLC
333 West Vine Street
Suite 1400
Lexington, KENTUCKY 40507

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

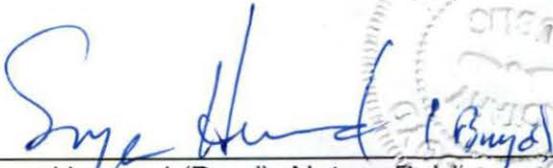
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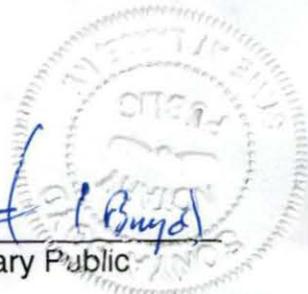
CERTIFICATE

I, Sonya Harward, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on May 13, 2016. Hearing Log, Exhibits, Exhibit List, and Witness List are included with the recording on May 13, 2016.
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the Hearing of May 13, 2016.
4. The Exhibit List attached to this Certificate correctly lists all Exhibits introduced at the Hearing of May 13, 2016.
5. The Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Hearing of May 13, 2016 and the time at which each occurred.

Given this 13th day of May, 2016.


Sonya Harward (Boyd), Notary Public
State at Large
My commission expires: August 27, 2017





Session Report - Detail

2015-00382_13May2016

Water Service Corporation of
Kentucky

Date:	Type:	Location:	Department:
5/13/2016	General Rates	Hearing Room 1	Hearing Room 1 (HR 1)

Judge: Bob Cicero; Dan Logsdon
 Witness: Steven Lubertozi - WSKY
 Clerk: Sonya Harward

Event Time	Log Event
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9:51:23 AM	Session Started
9:51:26 AM	Session Paused
9:57:02 AM	Session Resumed
9:57:07 AM	Commissioner Bob Cicero - Introduces Case No. 2015-00382 Note: Harward, Sonya Also introduces Vice Chairman Dan Logsdon.
9:57:51 AM	Commissioner Cicero Note: Harward, Sonya Resuming the Hearing that began on April 19, 2016.
9:58:01 AM	Atty. Todd Osterloh for Water Service Corporation of Kentucky (WSKY)
9:58:07 AM	Atty. Kent Chandler for Office of the Attorney General
9:58:12 AM	Atty. Mary Potter for City of Clinton
9:58:16 AM	Attys. David Spenard, Jennifer Fell, and John Park for PSC
9:58:24 AM	Public Comments Note: Harward, Sonya No public for comments.
9:58:35 AM	Commissioner Cicero Note: Harward, Sonya Statement regarding PSC Orders in this Case.
9:59:11 AM	Commissioner Cicero Note: Harward, Sonya Outstanding Motion Regarding the Acceptance of the Settlement Agreement.
9:59:27 AM	Clinton - Hearing Exhibit 1
9:59:50 AM	Clinton - Hearing Exhibit 2
10:01:26 AM	Clinton Exhibits admitted into the record.
10:01:48 AM	Witness Steven Lubertozi takes the stand and is sworn in.
10:02:30 AM	Atty. Osterloh Direct Exam of Witness Lubertozi Note: Harward, Sonya President of WSKY
10:02:50 AM	Witness Lubertozi Note: Harward, Sonya Reads a Summary into Record.
10:03:59 AM	Witness Lubertozi Note: Harward, Sonya Reading a Summary of the Terms of Agreement.
10:06:15 AM	Atty. Spenard Cross Exam of Witness Lubertozi Note: Harward, Sonya Referencing the Settlement Agreement, page 2, paragraph 1, regarding the revenue requirement. (Also references Exhibits A and B to the Settlement Agreement.)
10:07:51 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya Referencing the Settlement Agreement, page 2, and asking witness to expand on the use of the term 'anticipates' as it relates to WSKY requesting depreciation rates in its next rate case.
10:09:45 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya Referencing the Settlement Agreement, page 3. Also referencing the response to Commission Staff's Second Request for Information, Item 7, an Order from the Illinois Commerce Commission, 14-0741, page 25, and asking about WSKY doing a cost-of-service study (COSS).

10:12:12 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Asking if WSKY will include fire protection in the COSS.
10:12:41 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Asking if WSKY will propose complete consolidation or unification of rates in its next general rate case application.
10:13:29 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Asking about rate case expenses. Referencing the Settlement Agreement, page 7.
10:14:31 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Referencing the Application, Exhibit 4, Schedule B, line 25, Regulatory Commission Expense.
10:16:19 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Referencing the Application, Exhibit 4, Schedule B, workpaper called Rate Case Expense.
10:18:28 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Referencing the Application, Exhibit 4, Schedule B, line 9, Salary and Wages.
10:19:18 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Referencing the response to Commission Staff's Third Request for Information, Item 28, regarding rate-case expense.
10:21:02 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Referencing the response to Commission Staff's Third Request for Information, Item 28, page 2, regarding capitalized time of nine employees.
10:23:31 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Referencing the Application, Exhibit 4, Schedule B, workpaper called Rate Case Expense, and asking whether WSKY's financial statements will reflect \$86,983 for amortization.
10:25:04 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Asking if there is double recovery of any regulatory rate case expense.
10:26:20 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Referencing the Application, Exhibit 4, Schedule B, workpaper called Rate Case Expense, line 26, asking what group Dimitry Neyzelman works for.
10:27:17 AM	Atty. Spenard to Witness Lubertozi Note: Harward, Sonya	Asking when amortization will begin.
10:29:18 AM	Vice Chairman Logsdon Cross Exam of Witness Lubertozi Note: Harward, Sonya	Asking about any participation by Middlesboro.
10:30:09 AM	Commissioner Cicero Cross Exam of Witness Lubertozi Note: Harward, Sonya	Asking about the depreciation rate not being recooperated, and whether WSKY be able to recooperate their capital costs.
10:31:57 AM	Atty. Osterloh Re-Direct Exam of Witness Lubertozi Note: Harward, Sonya	Asking about the unamortized rate case expense.
10:32:52 AM	POST HEARING DATA REQUEST by Atty. Spenard Note: Harward, Sonya	Provide an updated on total cost of rate case expense for the current case.
10:33:30 AM	Witness Lubertozi dismissed from the stand.	
10:33:49 AM	Atty. Osterloh Note: Harward, Sonya	Asks if Witness Justin Kersey is needed to answer questions.
10:34:20 AM	Commissioner Cicero Note: Harward, Sonya	Wrap up comments.
10:34:31 AM	Commissioner Cicero Note: Harward, Sonya	Has parties stand and attest to the Settlement Agreement___???
10:35:33 AM	Post Hearing Data Request due May 20	

10:35:59 AM Hearing Adjourned
10:36:05 AM Session Paused
10:41:31 AM Session Ended

Name:	Description:
Clinton - Hearing Exhibit 1	Affidavit signed by Shannon Payne.
Clinton - Hearing Exhibit 2	Affidavit signed by Bobbi Frizzell.

Clinton hearing
Ex B

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of: APPLICATION OF WATER SERVICE
CORPORATION OF KENTUCKY FOR A GENERAL
ADJUSTMENT IN EXISTING RATES

CASE NO. 2015-00382

AFFIDAVIT

Comes the Affiant, Shannon Payne, and upon being duly sworn, does hereby state as follows:

1. Affiant is City Clerk of the City of Clinton. It is one of her duties to attend and keep the minutes at Clinton City Council meetings.

2. Affiant was present at the Clinton City Council meeting held May 2, 2016. A quorum of city council members were present and regular business was conducted.

3. Mayor Phyllis Campbell presided over the City Council meeting.

4. During the old business portion of the meeting, Mayor Campbell shared with the Council copies of an agreement prepared by the attorney for Utilities Inc. and recommended for signing by the Kentucky Attorney General's office. All council members received a copy of the agreement but not a copy of Mrs. Potter's memo. The mayor read parts of Mrs. Potter's memo to the council and stated a copy was available upon request. City Attorney Mary Potter was not present but had discussed the agreement with the Mayor and recommended that the agreement be approved by the City Council and signed by the Mayor.

5. Affiant took the minutes and all were in favor of the agreement. That information will be in the minutes of the City Council meeting. A copy of the minutes are attached.

Further the Affiant sayeth naught.

Clinton – Hearing Exhibit 1

Shannon Payne
Shannon Payne

CASE NO. 2015-00382

STATE OF KENTUCKY
COUNTY OF HICKMAN

Sworn, acknowledged, and signed before me to be her true act and deed this

11th day of May, 2016 by Shannon Payne.

Mary Potter
NOTARY PUBLIC,
STATE AT LARGE
MY COMMISSION EXPIRES 7-1-17

Prepared by:

Mary Potter

Mary B. Potter
Clinton City Attorney
113 North Washington St.
Clinton KY 42031

CASE NO. 2015-00382

CLINTON CITY COUNCIL MEETING

May 2, 2016

5:00 P.M.

AGENDA

Call to order

Pledge of Allegiance

Prayer

Roll Call

Minutes of Previous Meeting

Treasurer Report

Gas Report

Waste Water Report

Police Report

Street Report

Visitors

**Old Business: Police Car, Ordinance 2016-04-08-Drug Task Force-2nd reading,
Water Rate Settlement, Ordinance 2016-06-01 Operating Budget 2016-2017**

New Business: BAM2-Powerpoint Presentation-lagoon

Adjourn

May 2, 2016
5:00 p.m.

The city council met with Mayor Campbell calling the meeting to order. Howard Dillard led in prayer. The city clerk called roll with the following members present: Howard Dillard, Ivan Potter, Yvette Thomas, Betty Morrow and Jerome Jenkins.

The minutes of the previous meeting were read with Howard Dillard making a motion to accept the minutes and Jerome Jenkins seconding. Motion carried.

The treasurer and financial reports were given. Jerome Jenkins made a motion to accept the reports with Howard Dillard seconding. Motion carried.

The gas report was given. Howard Dillard stated that the gas company was looking at buying a 2016 truck for \$36,482.65, with the City's part being \$8,436.97. There was no further discussion or action taken.

The wastewater report was given. The mayor stated there was a \$2,000 counter offer given to the DOW. There was no further discussion or action taken.

The police report was given by Chief Natividad. Yvette Thomas made a motion for the go ahead to purchase the new police cruiser with Jerome Jenkins seconding. Howard Dillard, yes, Ivan Potter, yes, Yvette Thomas, yes, Betty Morrow, no, Jerome Jenkins, yes. Motion carried.

The street report was given by Foreman Seaton. There was no further discussion or action taken.

Visitors: Mike Murphy, Democratic Nominee for House Representative District 1 was here to introduce himself and stated if anyone needed to speak with him, to feel free.

Karl Buss was another visitor tonight concerning the sidewalk in front of Woman's Club. He requested a point of contact to work together with the City on these sidewalk projects.

Stacy Courtney with the PADD office was here for support and stated he had maps of the sidewalks if the City or any working group needed to take a look at them in helping with the said projects.

In old business: 2nd Reading Drug Task Force Ordinance. Jerome Jenkins made a motion to accept the Ordinance with Yvette Thomas seconding. All were in favor. Motion carried.

Also in old business: Water Rate Settlement. The mayor stated that nothing had changed in the agreement. Middlesboro prices would increase and the City of Clinton prices would decrease. All were in favor of the agreement. Motion carried.

Last in Old business: Ordinance 2016-06-01 Operating Budget 2016-2017. Yvette Thomas made a motion to accept the Budget with Jerome Jenkins seconding. Howard Dillard, yes, Ivan Potter, yes, Yvette Thomas, yes, Betty Morrow, abstained, Jerome Jenkins, yes. Motion carried.

In new business: Boots Summers with B.A.M. 2 was here to present a power point presentation on the spraying process at the lagoon. Mr. Summers said it would cost \$1,600 a lagoon and \$600 each additional. Ivan Potter made a motion to accept is bid and continue mapping the lagoon with Jerome Jenkins seconding. Howard Dillard, yes, Ivan Potter, yes, Yvette Thomas, yes, Betty Morrow, yes, Jerome Jenkins, yes. Motion carried.

Betty Morrow made a motion to adjourn the meeting with Jerome Jenkins seconding.


Shannon Payne, City Clerk


Phyllis Campbell, Mayor

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AFFIDAVIT

Comes the Affiant, Bobbi Frizzell, and upon being duly sworn, does hereby state
as follows:

1. Affiant is Assistant Clerk of the City of Clinton. It is one of her duties to
attend and assist at Clinton City Council meetings.

2. Affiant was present at the Clinton City Council meeting held May 2, 2016.
A quorum of city council members were present and regular business was conducted.

3. Mayor Phyllis Campbell presided over the City Council meeting.

4. During the old business portion of the meeting, Mayor Campbell shared
with the Council copies of an agreement prepared by the attorney for Utilities Inc. and
recommended for signing by the Kentucky Attorney General's office. City Attorney Mary
Potter was not present but had discussed the agreement with the Mayor and
recommended that the agreement be approved by the City Council and signed by the
Mayor.

5. Affiant did not take the minutes and does not recall if a vote was taken.
That information will be in the minutes of the City Council meeting.

Further the Affiant sayeth naught.


BOBBI FRIZZELL

STATE OF KENTUCKY
COUNTY OF HICKMAN

Sworn, acknowledged, and signed before me to be her true act and deed this

11 day of May, 2016 by Bobbi Frizzell.

Shannette

NOTARY PUBLIC,
STATE AT LARGE
MY COMMISSION EXPIRES 7/16/2016



Prepared by:

Mary Potter

Mary B. Potter
Clinton City Attorney
113 North Washington St.
Clinton KY 42031

CASE NO. 2015-00382

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